



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER OF PATENTS AND TRADEMARKS
Washington, D.C. 20231
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/319,093	08/16/1999	MIN-JAE HAN	6715/57089	2372

7590

09/11/2002

JAY H MAIOLI
COOPER & DUNHAM
1185 AVENUE OF THE AMERICAS
NEW YORK, NY 10036

EXAMINER

SOUGH, HYUNG SUB

ART UNIT

PAPER NUMBER

3621

DATE MAILED: 09/11/2002

18

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/319,093

Applicant(s)

HAN, MIN-JAE

Examiner

Hyung S. Sough

Art Unit

3621

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 26 June 2002 and 24 July 2002.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-45 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-45 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 28 May 1999 is/are: a) ☐ accepted or b) ☒ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____
- 4) ☐ Interview Summary (PTO-413) Paper No(s). _____
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other:

Art Unit: 3621

Continued Examination Under 37 CFR 1.114

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on June 26, 2002 has been entered.

Drawings

2. The drawings are objected to by the Examiner for the following reason:

- They are objected to under 37 CFR 1.83(a). The drawings must show every feature of the invention specified in the claims. Therefore, the operating unit and the data storage unit (see claims 8 and 38) must be shown or the feature(s) canceled from the claim(s). No new matter should be entered.

Applicant is advised to carefully review all the drawings for further needed corrections.

3. **A proposed drawing correction or corrected drawings are required in reply to this Office action to avoid abandonment of the application. The objection to the drawings will not be held in abeyance.**

Art Unit: 3621

Claim Rejections - 35 U.S.C. § 112

4. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

5. Claims 11-22 and 31-40 are rejected under 35 U.S.C. 112, first paragraph, as containing subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. The specification, as originally filed, does not provide support for the invention as is now claimed, i.e., “a payment amount for a user determined according to the data indicative of user identification” in lines 16-18 of claim 11, “the amount of payment for a user is determined according to the data indicating user identification,” in lines 14-16 of claim 19 and “the amount of payment imposed for a user is determined according to the information indicative of user identification,” in lines 21-23 of claim 31. More specifically, the specification, as originally filed, does disclose an amount of payment is based on the speed for recording the data and possibly the choice of data by the user but **not based on the data indicating user identification. Further, charging a payment based on the user identification is a discriminatory practice and illegal.**

6. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Art Unit: 3621

7. Claims 11-18 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

- Claim 11, it is not clear what the difference is between “an amount of payment” in lines 13-14 and “an amount of payment” in line 16. More specifically, it is not clear whether those two are separate payments to be added to the step of imposing payment or “the amount of payment” is decided based on two data, i.e., “the speed for recording the data read out” and the data indicative of user identification”.

Applicant is advised to carefully review all the claims for further needed corrections.

Claim Rejections - 35 U.S.C. § 103

8. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

9. Claims 1-10, 19-22 and 31- 40 are rejected under 35 U.S.C. 103(a) as being unpatentable over Nakatani (US PAT. 5,481,411) in view of Ball et al. (Ball hereinafter: EPO 0 309 298).

Nakatani discloses a record/playback apparatus comprising:

Art Unit: 3621

a record/playback unit (Figs. 1, 5, 6, and 7) for reading out data from a first recording medium (e.g., master tapes) and recording the data onto a second recording medium (e.g., video, audio or computer software tapes); and

a control unit (elements 6, 35, 70, 80, and 105) for controlling the record/playback unit.

Re claims 1, 19, 31: Nakatani does not explicitly disclose that (a) the control unit is for generating basic data for imposing payment from at least data indicative of a user identification and data indicative of a speed for recording the data read out from the first recording medium onto the second recording medium and transmitting the basic data, and when receiving data indicative of proper completion of imposing payment, directing the record/playback unit in response to the received data indicative of the proper completion of imposing payment to start the recording of the data read out from the first recording medium onto the second recording medium and (b) a payment imposing unit for determining, when receiving the basic data from the control unit, an amount of payment according to the speed for recording the data read out from the first recording medium and imposing the amount of payment for a user specified the user identification and for transmitting to the control unit the data indicative of proper completion of imposing payment thereby verifying an electronic transfer of fund from an account of the user. However, Ball discloses the use of royalty encoding and accounting means (page 5, line 2) to insure the calculation and making of the appropriate royalty payments for the copying by the apparatus. Further, Ball discloses encoding the royalty information

Art Unit: 3621

together with information identifying the machine, date, time, and the customer. Thus, it would have been within the level of ordinary skill in the art to modify the apparatus of Nakatani by adopting the teachings of Ball (i.e., using royalty encoding means and accounting means) to insure the calculation and making of the appropriate royalty payments for the copying by the apparatus. It is arguable that Ball does not explicitly disclose the royalty encoding means being located in the control unit. However, it would have been obvious to one having ordinary skill in the art at the time the invention was made to locate the royalty encoding means at any desirable location including in the control unit as claimed, since it has been held that rearranging parts of an invention involves only routine skill in the art. *In re Japikse*, 86 USPQ 70. Further, it is arguable that Ball does not use data indicative of a speed for recording the data read out. However, it is well known in the art to employ any relevant data (e.g., length of time for recording the music, different performers for the music, recording speed, different types of recording medium, and etc.) to impose payment to increase profit in business and it would have been common sense to employ any one of those data including data indicative of a speed for recording the data read out as claimed to increase the profit for the claimed apparatus.

Re claims 2 and 32: Neither Nakatani nor Ball explicitly discloses the use of a key data generator for the payment imposing unit. However, Ball discloses the use of a communication link (page 5, lines 10) for automatic forwarding of the royalty fees involved in the operation of the apparatus. Thus, it would have been obvious to one of ordinary skill in the art to employ a key data generator for the payment imposing unit (i.e., accounting means) to generate key data

Art Unit: 3621

for secure transmission of the completion of imposing payment over the communication link to the apparatus.

Re claims 3, 4, 33, and 34: It is fundamental in the art to verify the key data transmitted through the communication link by collating with key data held by the apparatus to prevent fraud. Further, Ball discloses recording of the data onto the second recording medium based on the judging to discourage subsequent unauthorized copying from the dispensed tapes.

Re claims 5 and 35: It is fundamental in the art to transfer any information after authentication of the key to prevent fraud.

Re claims 6, 7, 36, and 37: Neither Nakatani nor Ball explicitly discloses the various payment imposing method. However, there are various ways of calculating royalty fees and it would have been within the level of ordinary skill in the art to employ various fee calculating schemes including the claimed schemes as desired.

Re claims 8 and 38: Nakatani in view of Ball further discloses an operating unit (i.e., royalty encoding means) connected to the control unit and a data storage unit (i.e., master tapes) where a plurality of data is stored, wherein the control unit reads out corresponding data from the data storage unit in response to indicator data supplied in response to an information input from the operating unit and directs the record/playback unit to record the data read out from the data storage unit onto the first recording medium.

Re claims 9, 10, 39, and 40: Ball discloses various embodiments including the data storage unit and the payment imposing unit are connected via a communications line to the

Art Unit: 3621

control unit (page 5, lines 10-23). Thus, it would have been obvious to one of ordinary skill in the art to modify the apparatus of Nakatani by adopting the teaching of Ball to enhance the function of the claimed apparatus.

Re claims 20-22: Neither Nakatani nor Ball explicitly discloses that the control unit judges key data received as the data indicative of completion of imposing payment is authentic or not by collating with key data held by the control unit. However, Ball discloses the use of a communication link (page 5, lines 10) for automatic forwarding of the royalty fees involved in the operation of the apparatus. Thus, it would have been obvious to one of ordinary skill in the art to generate key data for secure transmission of the completion of imposing payment over the communication link to the apparatus. Further, it is fundamental in the art to verify the key data transmitted through the communication link by collating with key data held by the control unit to prevent fraud.

10. Claims 11-18, 23-30, and 41-45 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ball.

Page 2, lines 6-10 and page 3 lines 35-37 thereof, Ball discloses a record/playback method of reading out data from a first recording medium and recording the data onto a second recording medium with the use of an apparatus capable of reading out the data from the first recording medium and recording the data onto the second recording medium, the method comprising the steps of:

Art Unit: 3621

reading out corresponding data from a data storage unit where a plurality of data is stored and recording the data onto a second recording medium in response to indicator data received from an operating unit in an apparatus for reading out data from a first recording medium and recording the data onto a second recording medium (page 2, lines 6-10);

generating basic data for imposing payment from data indicative of user identification (i.e., based on input identification, basic data should be generated to calculate an appropriate royalty);

transmitting the basic data from the apparatus to a payment imposing unit (i.e., after generating the basic data based on input identification, the basic data should be transferred to a payment imposing unit (i.e., accounting means) to calculate the appropriate royalty);

imposing payment according to the basic data received and generating data indicative of completion of imposing payment thereby verifying an electronic transfer of funds from an account of the specific user in the payment imposing unit (i.e., after calculating the appropriate royalty, the machine will require payment of the royalty);

transmitting the data indicative of the completion of imposing payment from the payment imposing unit to the apparatus (i.e., after the royalty is paid by a user, the data of the completion of payment should be transferred to the apparatus); and

directing the apparatus to start recording the data read out from the first recording medium onto the second recording medium in response to the data indicative of the completion of imposing payment (i.e., after receiving the data of the completion of payment from the

Art Unit: 3621

payment imposing unit (i.e., accounting means), the apparatus would make a copy of selected music).

Re claims 11, 23, and 41: Ball does not explicitly disclose that an amount of payment is determined according to the speed for recording the data read out from the first recording medium onto the second recording medium and a payment amount for a user is determined according to the data indicative of user identification. However, it is well known in the art to employ any relevant data (e.g., length of time for recording the music, different performers for the music, recording speed, different types of recording medium, and etc.) to impose payment to increase profit in business and it would have been common sense to employ any one of those data including data indicative of a speed for recording the data read out as claimed to generate the basic data to increase the profit for the claimed method.

Re claims 12 and 25: Ball does not explicitly disclose the step of generating key data using the payment imposing unit as the data indicative of the completion of imposing payment from the basic data received. However, Ball discloses the use of a communication link (page 5, lines 10) for automatic forwarding of the royalty fees involved in the operation of the apparatus. Thus, it would have been obvious to one of ordinary skill in the art to generate key data for secure transmission of the completion of imposing payment over the communication link to the apparatus.

Re claims 13, 14, 26, 27, 42, 43, and 44: It is fundamental in the art to verify the key data transmitted through the communication link by collating with key data held by the

Art Unit: 3621

apparatus to prevent fraud. Further, Ball discloses recording of the data onto the second recording medium based on the judging to discourage subsequent unauthorized copying from the dispensed tapes.

Re claims 15 and 28: It is fundamental in the art to transfer any information after authentication of the key to prevent fraud.

Re claims 16, 17, 24, 29, and 30: Ball does not explicitly disclose the various payment imposing method. However, there are various ways of calculating royalty fees and it would have been within the level of ordinary skill in the art to employ various fee calculating schemes including the claimed schemes as desired.

Re claim 18: Ball discloses reading out corresponding data from a data storage unit in response to indicator data supplied from an operating unit (i.e., a customer selects musical pieces) and recorded onto the first recording medium (i.e., transferred to video disk) where the corresponding data corresponds to the indicator data (i.e., the data to be recorded is matched to the identification of the customer).

Re claim 45: Ball discloses a dubbing apparatus comprising dubbing means (e.g., 3, 4, and 5) for reading out data from a first recording medium and writing the read out data onto a second recording medium and control means (1) for generating basic data for billing a user (page 5, lines 17-22). Ball does not explicitly disclose that the basic data includes a user identification and a dubbing speed, wherein after proper completion of billing the user, the control means directs the dubbing means to start reading out data from the first recording

Art Unit: 3621

medium and writing the read out data onto the second recording medium, with an amount of billing for the user determined based on the dubbing speed. However, it would have been obvious to one of ordinary skill in the art to include a user identification in the basic data, since for credit card payment method, without proper user identification, the apparatus cannot generate billing to the correct user. Further, it has been well-known practice in the business world to charge different rates for the services based on various speed (e.g., the additional charge for a speed dialing for the phone system, different charges based on express service for transportation, photo development, or packages delivery system etc.) to increase the profit. Thus, it would have been obvious to one of ordinary skill in the art to bill the user based on dubbing speed to increase the profit while providing better service to the customer.

Response to Arguments

11. Applicant's arguments filed on June 26, 2002 have been fully considered but they are not persuasive for the following reasons.

- In response to applicant's arguments regarding the drawings.

Applicant's attention is directed to the fact **that the drawings and description of Figure 3 in page 23 state that "the data retrieving processor 42" rather than "the control unit 33" reads out corresponding data from "the hard disk array 41" (i.e., "data storage unit")**. Thus, the drawings do not show the features claimed in claims 8 and 38.

Art Unit: 3621

- In response to applicant's arguments regarding the rejection of claims 11-22 and 31-40 under 35 U.S.C. 112, first paragraph.

As stated supra, the specification, as originally filed, does disclose an amount of payment is based on the speed for recording the data and possibly the choice of data by the user but **not based on the data indicating user identification. Further, charging a payment based on the user identification is a discriminatory practice and illegal.** Further, applicant has not pointed out where, in the originally filed specification, the support for the claimed limitation can be found.

- In response to applicant's arguments regarding the rejection of claims 1-10, 19-22 and 31-40 under 35 U.S.C. 103(a).

First, applicant's attention is directed to the fact that the rejection is based on Nakatani in view of Ball and, as stated supra, Nakatani discloses a control unit and, as stated supra, Ball is being relied upon solely for its disclosure of a common manner of using an accounting means to generate a bill for a recording apparatus of the sort here involved.

Second, as stated by applicant, "While Ball et al. may allow for direct payment of royalties by including a credit card reader which allows online credit card verification and instant identification information," Ball clearly discloses the use of a credit card reader as one of payments methods. Of course, the process of using credit card readers requires approval of an issuer for the amount of payment to a merchant and, only after that approval, the goods are given to the customer. Thus, it would have been common sense to start recording (e.g., handing the

Art Unit: 3621

goods over the customer) only after the control unit has received data indicative of proper completion of imposing for the recording (e.g., after the approval by the issuer which is received by the machine at the merchant site). Further, Ball discloses the use of coin or bill payment method (page 3, lines 35-37) and, to the best knowledge of the Examiner, there is no machine that dispenses the goods prior to verification of the proper amount of payment being deposited to the machine. Still further, dispensing the goods (i.e., starting recording) only after the verification of receiving the proper amount of payment (i.e., the control unit has received data indicated of proper completion of imposing payment for the recording) is a fundamental practice in the business to minimize the loss of revenue.

Third, it is true that Ball does not explicitly disclose that a payment amount is determined by a speed for recording. However, as stated supra, it has been well-known practice in the business world to charge different rates for the services based on various speed (e.g., the additional charge for a speed dialing for the phone system, different charges based on express service for transportation, photo development, or packages delivery system etc.) to increase the profit and it would have been within the level of ordinary skill in the art bill the user based on dubbing speed for recording to increase the profit while providing better service to the customer.

Finally, the rejection is based on the finding that one of ordinary skill in the art would have common sense and the fundamental business skills (i.e., increasing profit, providing better service, minimizing loss of revenue, reducing expenses etc.) to simply provide an additional function of

Art Unit: 3621

starting recording only after receiving data indicative of proper completion of imposing payment for recording to the control unit of Nakatani to minimize the loss of revenue and to simply add a payment imposing device (e.g., credit card reader or device for accepting coins or bill) which determines an amount of payment according to the speed for recording data to increase the profit and to provide better services to the customer without express teaching in a reference.

- In response to applicant's arguments regarding the rejection of claims 11-18, 23-30 and 41-44 under 35 U.S.C. 103(a).

Ball clearly discloses the use of a computer 1 which has a control unit (i.e., a processor) controls the recording and an accounting means (e.g., page 5, lines 1-6) which generates bills. Further, as stated supra, Ball discloses the use of coin or bill payment method (page 3, lines 35-37) and, to the best knowledge of the Examiner, there is no machine that dispenses the goods prior to the verification of the proper amount of payment being deposited to the machine. Still further, dispensing the goods (i.e., starting recording) only after the verification of receiving the proper amount of payment (i.e., the control unit has received data indicated of proper completion of imposing payment for the recording) is a fundamental practice in the business to minimize the loss of revenue. Still further, as stated supra, it has been well-known practice in the business world to charge different rates for the services based on various speed (e.g., the additional charge for a speed dialing for the phone system, different charges based on express service for transportation, photo development, or packages delivery system etc.) to increase the profit and

Art Unit: 3621

it would have been within the level of ordinary skill in the art to charge the user based on dubbing speed for recording to increase the profit while providing better service to the customer.

12. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. Donovan et al. (US PAT. 6,012,032) are cited by the Examiner to support his position of billing the use of data access based on various factors including the speed.

13. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Hyung S. Souh whose telephone number is (703) 308-0505. The Examiner can normally be reached Monday-Friday from 8:30 AM - 4:00 PM EST.

If attempts to reach the Examiner by telephone are unsuccessful, The Examiner's Supervisor, James P. Trammell, can be reached on (703) 305-9768.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Receptionist whose telephone number is (703)308-1113.

Any response to this action should be mailed to:

***Commissioner of Patents and Trademarks
Washington D.C. 20231***

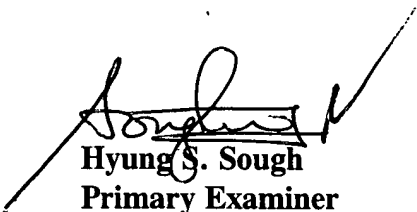
or faxed to:

(703)305-7687 [Official communications; including
After Final communications labeled
"Box AF"]

(703) 746-8177 [Informal/Draft communications, labeled
"PROPOSED" or "DRAFT"]

Hand delivered responses should be brought to Crystal Park 5, 2451 Crystal Drive, Arlington, VA, 7th floor receptionist.

Art Unit: 3621



Hyung S. Sough
Primary Examiner
Art Unit 3621

shs
September 8, 2002